

VZCZCXRO6353
RR RUEHROV
DE RUEHKH #0359 0451139
ZNR UUUUU ZZH
R 141139Z FEB 06
FM AMEMBASSY KHARTOUM
TO RUEHC/SECSTATE WASHDC 1438
INFO RUEHRC/USDA WASHDC
RUCNIAD/IGAD COLLECTIVE

UNCLAS KHARTOUM 000359

SIPDIS

SENSITIVE
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DEPT FOR D, AF/SPG, AND EB/TPP/ABT/ATP
ALSO PASS TO USAID/W
USAID FOR OFDA
USDA FOR FAS
NSC FOR JMELINE
USUN FOR TMALY
NAIROBI AND CAIRO ALSO FOR FAS

E.O. 12958: N/A
TAGS: [EAGR](#) [PGOV](#) [PREL](#) [EAID](#) [SU](#)
SUBJECT: SUDAN GRAIN PRODUCTION ABOVE AVERAGE

REF: KHARTOUM 0171

¶1. (U) Summary: Production of sorghum, millet, and wheat is projected to be somewhat above average for 2006. The government has set a floor price of about USD 240 per metric ton for sorghum, but is not currently purchasing grain. The dislocation of the population because of the Darfur conflict has disrupted the traditional movement of agricultural workers and tended to increase the cost of production. Despite the above-average harvest, WFP imports will continue, in part because of high cost of local production. End Summary.

Outlook Good For Harvest

¶2. (SBU) Pol/econ officer met with Director of the Statistics and Planning Department at the Ministry of Agriculture and Fisheries, Dr. Egaimy, (protect) on February 9 to discuss the outlook for the grain harvest. Egaimy said that, due to good rains, this year's harvest should be above average, with a total production of wheat, sorghum, and millet in the range of 5.3 to 5.5 million metric tons. He stated that 100 percent of the millet crop is from rain fed land, while only 70 percent of the sorghum crop depends on rainfall.

¶3. (U) The Director explained that the government sets a "floor price" for sorghum, the most important grain. The government plans to buy at the floor price and put the grain into a reserve. This year the floor price is set at about USD 240 per metric ton (calculated at an exchange rate of 230 dinar to the dollar); however, the government not actually buying grain. The market price for sorghum is currently somewhat below the floor price.

Conflict Disrupted Seasonal Labor

¶4. (U) In explaining the traditional patterns of agricultural production, Egaimy noted that the conflict in Darfur has disrupted the movement of agricultural workers. In the past, workers from the marginal areas of Darfur would often spend two to three months each year working in areas such as Kordofan, Blue Nile, or even Gezira. The conflict has resulted in these workers being settled in IDP camps in Darfur or in Khartoum. According to Egaimy, one result has been a shortage of labor in

some areas, which has tended to raise the cost of production. (Comment: This higher cost of local production encourages imports of food under the WFP program, reftel para 9. In turn, the import of food potentially discourages local production and probably tends to further interrupt the traditional migration of agricultural workers. End comment.)

15. (SBU) Egaimy (protect) said that he would like to see the WFP program ended, as Sudan should be an exporter of food and not an importer. However, he said that Sudan is not producing anything near its potential and attributed this to lack of government support for agriculture. He singled out poor government policies in respect to agricultural credit, land holding, and the system of purchases for the grain reserve as examples of government failure.

HUME